



Black State Employees Association of Texas Community Development Corporation, Inc.

February 16, 2005

Attention: Saleem Jafar
Bill Fisher

From: Dr. Darren L. Reagan (214) 207-0850

A handwritten signature in black ink, appearing to be "DRR", written over the name Dr. Darren L. Reagan.

Re: The Homes Of Pecan Grove Deal & Discussion Points Per The BSEATCDC, Inc. And
Others Perspective

The point of this memo is to further clarify and not to be unduly repetitious (going back & forth) relative to issues that have been discussed previously.

1) Linkage Of Pecan Grove & Dallas West Village Projects: Bill Fisher linked both projects by (1) having meeting and discussions with others who are and or was interested in both projects (against my advice) who attempted to use political influence to get the projects passed by various city of Dallas public bodies (2) Attempting to withhold payment due to The BSEATCDC, Inc. for services rendered on the Pecan Grove project by using the successful city council passage of the Dallas West Village project. Bill insisted on getting assurances on the Dallas West Village project at the same time while delaying payment owed to The BSEATCDC, Inc., as well as insisting on Pecan Grove contractual changes before final balance payment was made.

2) Both Projects were considered dead: Based on everyone's opinion (members of the Dallas City Council, Dallas Planning and Zoning Commission, public officials, other Odyssey hired consultants, and others (including both of you guys). Dead meaning: No Projects. ZERO monies. Neither one of you guys put all of the cards on the table regarding both projects in its totality: The project feasibility, project cost/budget analysis, particularly its potential profits, etc. Odyssey goes from a Big ZERO/NOTHING to a very financially rewarding developer's fee (several millions) plus other potential cost savings. The BSEATCDC, Inc. and others are interested in parity and equity, period. No charitable contributions or donations on 2 major multi-million dollar projects. No one would have been paid had The BSEATCDC, Inc. not expended a significant amount of political capital, very long and exhaustive hours reviving both projects. Therefore, The BSEATCDC, Inc. Must be compensated accordingly in an equitable manner. The BSEATCDC, Inc. would give proper consideration to any equitable compensation proposal from Odyssey.

Finally, it is The BSEATCDC, Inc. Goal and objective to get both projects contractual issues resolved in a timely manner. I encourage you guys to work through whatever you need to work through in on your end, however, I committed to have a report to Councilman Hill regarding these matters before the proposed hearing scheduled for next week.

In closing, I may add and comment as other repetitive issues arrive. I have previously covered practically any and all of the issues that may or may not come up. Nevertheless, I will point right back to each of them if necessary.

Amended Contract To
The Homes Of Pecan Grove

Between Odyssey Residential Holdings, Inc. And The Black State Employees Association Of
Texas Community Development Corporation, Inc. (The BSEATCDC, Inc.)

A) The BSEATCDC, Inc./Project Manager shall receive 50% of Developer's fee payable promptly upon dispersing of funds. Odyssey Residential will provide verifiable written notice to CharterMac (project investment/funding source). Additionally, The BSEATCDC, Inc. shall receive 50% payment of any and all savings related to the project (soft costs, construction costs, budget reserve funds, etc.).

B) The BSEATCDC, Inc. referred subcontractors shall receive preferred and priority consideration and will negotiate a mutually acceptable contract award. Odyssey Residential Holdings, Inc. And The Carleton Company will immediately issue irrevocable letters of commitment to the subcontractors as listed below, with formal contracts signed prior to the start of any construction work on the project site.

The following shall represent The BSEATCDC, Inc. preferred list of companies/subcontractors:

1) Security: Greer's Security & Investigation Services: Contact person: Billy Greer/Charles Johnson (214) 660-0200

2) Landscaping: M & C Landscaping Services: Contact person: Carolyn Smith (972) 333-2373

3) Iron Work/Fencing/Stairway & Patio railings/fencing: Hannah's Iron Works, Bars & Fencing: Contact Person: Fredrick Hannah(214) 280-5452.

4) Concrete: Vestal Builders, Inc.: Contact person: Donald Vestal (817) 516-0103.

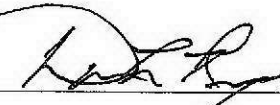
5) HVAC: Tucker Aire Services: Contact Person: Otis Tucker (214) 202-9302

6) Carpeting: A 1 Carpeting Work: Contact Person: C.B. Green (972) 229-4516

C) Proposed Retail Site/Plaza: Odyssey Residential Holdings, Inc. Via its stated public commitment (Dallas City Council Public Hearings) will develop simultaneously during the construction of the Homes Of Pecan Grove. Final site plans will be delivered to The BSEATCDC, Inc. for review on or before Friday, March 4, 2005 and or before the site work for the Homes of Pecan Grove begin, whichever occurs first.

D) Arbitration and litigation: Any party may seek legal remedy via agreed upon Arbitration (American Arbitration Association) and or may file suit in district court.

E) The BSEATCDC, Inc. Approval Clarification: The BSEATCDC, Inc. as previously stated fully retains its approval authority as outlined in the original contractual agreement with Odyssey Residential Holdings, Inc. Additionally, Odyssey Residential Holdings, Inc. and or any of its affiliates, officers, agents, representatives, associates, etc. will not directly or indirectly interfere (unduly causing confusion, conflicts, micro managing, potential project delays, etc.) with The BSEATCDC, Inc. (The Project Manager) or its consultants/contractors or the prime contractor (The Carleton Company) in their performance and carrying out their project contractual duties, assignments and obligations. Odyssey Residential Holdings, Inc. primary communication is "first" directly with the project manager, the project manager will communicate Odyssey's concerns, observations to the prime contractor. All Odyssey concerns, observations and recommendations must be communicated in written form (email, fax, or mail).

Signed  Date 3-16-05 Signed _____ Date _____

ALLA: SALEEM JAFAR
Bill Fisher

Amended Contract To
The Dallas West Villages Project

Between Odyssey Residential Holdings, Inc. And The Black State Employees Association Of
Texas Community Development Corporation, Inc. (The BSEATCDC, Inc.)

A) The BSEATCDC, Inc./Project Manager shall receive 50% of Developer's fee payable promptly upon dispersing of funds. Odyssey Residential Holdings, Inc. And or its affiliate companies, new created company for the referenced project will provide verifiable written notice to the project's investment/funding source. Additionally, The BSEATCDC, Inc. shall receive 50% payment of any and all savings related to the project (soft costs, construction costs, budget reserve funds, etc.).

B) The BSEATCDC, Inc. referred subcontractors shall receive preferred and priority consideration and will negotiate a mutually acceptable contract award.

Odyssey Residential Holdings, Inc. And The Selected Prime Contractor will immediately on or before the closing of the funds will issue irrevocable letters of commitment to the subcontractors as listed below, with formal contracts signed prior to the start of any construction work on the project site.

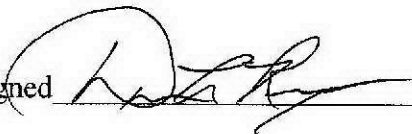
The following shall represent The BSEATCDC, Inc. preferred list of companies/subcontractors:

- 1) Security: Greer's Security & Investigation Services: Contact person: Billy Greer/Charles Johnson (214) 660-0200
 - 2) Landscaping: M & C Landscaping Services: Contact person: Carolyn Smith (972) 333-2373
 - 3) Iron Work/Fencing/Stairway & Patio railings/fencing: Hannah's Iron Works, Bars & Fencing: Contact Person: Fredrick Hannah(214) 280-5452.
 - 4) Concrete: Vestal Builders, Inc. Contact person: Donald Vestal (817) 516-0103.
 - 5) HVAC: Tucker Aire Services: Contact Person: Otis Tucker (214) 202-9302
 - 6) Carpeting: A 1 Carpeting Work: Contact Person: C.B. Green (972) 229-4516
- C) Proposed Retail Site/Plaza: Odyssey Residential Holdings, Inc. Via its stated public commitment (Dallas City Council Public Hearings) will develop simultaneously during the construction of the Dallas West Villages. Final site plans will be delivered to The BSEATCDC, Inc. for review on or before or before the site work for the Dallas West Villages begin, whichever occurs first.

D) Arbitration and litigation: Any party may seek legal remedy via agreed upon Arbitration (American Arbitration Association) and or may file suit in district court.

E) The Odyssey Residential Holdings, Inc. and or any of its affiliates, officers, agents, representatives, associates, etc. will not directly or indirectly interfere (unduly causing confusion, conflicts, micro managing, potential project delays, etc.) with The BSEATCDC, Inc. (The Project Co-Developer, Co- General Contractor and Project Manager) or its consultants/contractors or the prime contractor in their performance and carrying out their project contractual duties, assignments and obligations. Odyssey Residential Holdings, Inc., its affiliates, officers, agents, associates, consultants and others primary communication is "first" directly with The BSEATCDC, Inc., in its role as the project manager the project manager will communicate Odyssey's concerns, observations to the prime contractor. All Odyssey concerns, observations and recommendations must be communicated in written form (email, fax, or mail).

Signed



Date

2-16-05

Signed

Date

Amended

Contract With Independent Contractor

Dallas West Villages

1. Names

This agreement is between Odyssey Residential Holdings, Inc., a Texas corporation doing business as The Black State Employees Association of Texas CDC, Inc. (Client), and The Black State Employees Association of Texas CDC, Inc., a Texas corporation (Contractor).

2. Services to be Performed by Contractor

Co-Developer, General Contractor & Project Manager as affirmed by Odyssey Residential Holdings, Inc. Also, as agreed to and acknowledged by Odyssey Residential Holdings, Inc. and its legal counsel in official City of Dallas Public Hearings, as well as private meetings with Dallas City public officials, planning and zoning commissioner DeAngelo Lee, City Councilman Don Hill, and other persons associated with this project. Will provide and oversee all professional services associated with this project, including but not limited to: Inspect, evaluate, review and approve proposed project site (Dallas West Village Bruton Rd. @ St. Augustine Dr. Mixed use 250 Multi-Family Housing and Retail development 7500 -10,000sq.ft.), area demographics and other details. Will have approval authority over all project/construction development including any and all revisions; Approve the establishment of minority contracting goals (40%+ participation); Solicit Services from local minority contractors; Review, and approve all project proposals/contracts, site plans, budget/cost projections; Approve the project's final contractors and post construction/ property office/staffing and maintenance personnel selection process and property management & maintenance proposals/contracts; Monitor contractors compliance; Solicit and request letters of support from public/elected officials representing the designated districts (Dallas City Council & State Representative) community leaders, community organizations and others; Attend scheduled business and community/public meetings/hearings and provide other services as agreed upon. See Exhibit A (Attached with, incorporated and integrated fully into this agreement excluding item D) and Attached Amendment.

3. Time for Performance

Contractor will perform the services according to the following schedule:

Will begin work upon the signing and executing of this agreement.

4. Payment

Client will pay Contractor \$150,000 total cash compensation with date completion TBD; \$25,000.00 non-refundable initial payment/retainer (\$7,500 immediate payment; \$5,000 to be paid after zoning application hearing, \$12,500 to be paid no later than 10am the day before city council hearing; Balance of \$125,000 at closing of the bonds; \$1500 per hour for additional work after city council hearing/approval. Also, The BSEATCDC, Inc. (Co-Developer, General Contractor/Project Manager) will receive 50% of the General Partner's share of the project's developer fee; Odyssey Residential Holdings, Inc. will acknowledge, document and confirm in writing immediately and include and process with funding sources accordingly. Also, The BSEATCDC, Inc. will receive 50% of the budget soft cost savings and project reserves/funds as well as other monetary funds provided or refunded at closing; Additional cash flow, and residual value to be paid immediately upon receipt of the money by the General Partner of the Partnership.

Odyssey Residential Holdings, Inc. and or any of its current affiliates companies and or any company its owners, agents, officers individually or corporately shall be held legally and financially responsible for all monetary payments owed and other obligations to contractor should Odyssey Residential not fulfill its commitment to the original and complete development of this project. Odyssey Residential Holdings, Inc. herein agrees not to "flip" (resale) the property to retrieve their investments. Should Odyssey Residential Holdings Inc., attempt to sell, "flip" the property Odyssey must provide a 30 day notice to the following individuals and seek the approval of Dallas City Councilman Don Hill, City Planning and Zoning Commissioner DeAngelo Lee and the City of Dallas before such sale is consummated. Also, Odyssey Residential Holdings, Inc. agrees to pay The BSEATCDC, Inc. half of the sales price of the property "immediately" at close to be stipulated in closing/settlement statement, in addition to monies owed as described in this agreement. Client will pay Contractor according to the following schedule:

Contractor will submit an invoice to the client stating total amount due for prompt payment.

5. State and Federal Taxes

Client will not:

- withhold Social Security and Medicare taxes from Contractor's payments or make such tax payment on Contractor's behalf
- make state or federal unemployment contributions on Contractor's behalf, or
- withhold state or federal income tax from Contractor's payments.

Contractor will pay all applicable taxes related to the performance of services under this contract. This includes income, Social Security, Medicare and self-employment taxes.

Contractor will also pay all unemployment contributions related to the performance of services under this contract. Contractor will reimburse Client if Client is required to pay such taxes or unemployment contributions.

6. Fringe Benefits

Neither Contractor nor Contractor's employees are eligible to participate in any employee pension, health, vacation pay, sick pay or other fringe benefit plan of Client.

7. Invoices

Contractor will submit invoices to Client for all services performed.

8. Independent Contractor Status

The parties intend Contractor to be an independent contractor in the performance of the services. Contractor will have the right to control and determine the methods and means of performing the contractual services.

9. Other Clients

Contractor retains the right to perform services for other clients.

10. Assistants

Contractor, at Contractor's expense, may employ assistants as Contractor deems appropriate to perform the contractual services. Contractor will be responsible for paying these assistants as well as any expense attributable to them including income, Social Security and Medicare taxes, and unemployment contributions. Contractor will maintain workers' compensation insurance for all of its employees.

11. Equipment and Supplies

Contractor, at Contractor's expense, will provide all equipment, tools and supplies necessary to perform the contractual services, except for the following which will be provided by Client: Company credit card with a \$10,000 spending limit for project and business related expenses/costs., Cellular Telephone with monthly cost to be paid by client.

12. Expenses

Contractor will be responsible for all expenses required for the performance of the contractual services, except for the following which will be paid for by Client: Travel, Hotel, Rental Car, Car (\$700) and gas (\$300) allowance (monthly), Cellular Phone including monthly charges, Company Credit Card with \$10,000 spending limit for project and business related expenses/costs.

13. Disputes

If a dispute arises, either party may take the matter to court.

14. Entire Agreement

This is the entire agreement between the parties. It replaces and supersedes any and all oral agreements between the parties, as well as any prior writings.

15. Successors and Assignees

This agreement binds and benefits the heirs, successors and assignees of the parties.

16. Notices

All notices must be in writing. A notice may be delivered to a party at the address that follows a party's signature or to a new address that a party designates in writing. A notice may be delivered:

- in person
- by certified mail, or
- by overnight courier.

17. Governing Law

This agreement will be governed by and construed in accordance with the laws of the state of Texas.

18. Counterparts

The parties may sign several identical counterparts of this agreement. Any fully signed counterpart shall be treated as an original.

19. Modification

This agreement may be modified only by a writing signed by the party against whom such modification is sought to be enforced.

20. Waiver

If one party waives any term or provision of this agreement at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this agreement, that party retains the right to enforce that term or provision at a later time.

21. Severability

If any court determines that any provision of this agreement is invalid or unenforceable,

any invalidity or unenforceability will affect only that provision and will not make any other provision of this agreement invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

CLIENT

Odyssey Residential Holdings, Inc.,
a Texas corporation doing business as The Black State Employees Association of Texas
CDC, Inc.
5430 L.B.J. Freeway
Suite 1200
Dallas, Texas 75240

Dated: _____

By: _____
James R. "Bill" Fisher
Vice President

CONTRACTOR

The Black State Employees Association of Texas CDC, Inc.,
a Texas corporation
5801 Marvin D. Love Freeway
Suite 202
Dallas, Texas 75237

Dated: _____

By: _____
Darren L. Reagan
Chairman/CEO